



Chapel Hill, Tennessee 37034

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September 2, 2005

Mr. Ron Jones, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Docket No. 05-00235

Dear Mr. Jones:

In response to the above related docket, United Telephone Company has excess flow-thru of property taxes in the amount of \$7,359.00. We have elected that no changes be made in our tariffs.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in cursive script that reads 'Terry M. Wales'.

Terry M. Wales
General Manager

/cm

United Telephone Company
State of Tennessee - House Bill 864
Property Tax - Calculation of Net pass through amount
4th Price Adjustment Effective 10/1/05

1) Total Equity payment received June/July 2005	223,937
2) Jurisdictional Separations Impact (Part 36/69)	82,336
3) Impact to USF Support	<u>148,960</u>
4) Net Tax savings to Company to be flowed through to business customers	<u>(7,359)</u>
5) Total Rate Reduction from October 1, 2004 through September 30, 2005	<u>-</u>
6) Difference	<u>(7,359)</u>